REMARKS

The specification has been amended to correct grammatical errors. The Abstract has been amended to meet the requisite length requirements, thereby overcoming the objection raised in the office action. No new matter has been added.

Claims 2 and 22 have been canceled. Claim 1 has been amended to incorporate the subject matter of claim 2. Claim 3 has been amended to reference claim 1. Claims 21 and 23 have been amended. The application now includes claims 1 and 3- 21 and 23-24.

Claims 1, 2, 5-7, 9, 12-14, 16 and 20 have been rejected as being anticipated by U.S. Patent 5,963,909 to Warren, and claims 3 and 4 have been rejected as being obvious over a combination of Warren in view of U.S. Patent 6,643,402 to Okado, claims 8 and 15 have been rejected as being obvious over a combination of Warren in view of U.S. Patent 5,991,399 to Graunke, claim 10 has been rejected as being obvious over Warren in view of U.S. Patent 6,163,844 to Duncan, and claims 11 and 17-19 have been rejected as being obvious over a combination of Warren in view of Okado. Each of these rejections is traversed.

Warren describes a multi-media distribution system which includes a feature for degrading a signal (or inhibiting a signal) that can be reproduced at a user's terminal based on the number of times the digital information is reproduced. However, Warren does not use a system of decryption keys as contemplated by the invention. Rather, Warren uses a standard master tag (SMT) and a standard copy tag (SCT) in conjunction with the multimedia signal, as is best shown in Figure 1. As is discussed in column 2, lines 36 et seq. and elsewhere in Warren, the SMT and SCT information may be spread spectrum signals which are preferably imperceptible when embedded in the data signal or they can be positioned in different layers (see, for example, Figures 9 and 10 of Warren). Based on the state of the SCT, the graceful degradation discussed in column 11 of Warren (referenced by the Examiner).

It should be understood, however, that the methodology of Warren is quite

different because it does not utilize a number of different decryption keys as contemplated by the present invention. The present invention will, for example, either degrade the signal which can be viewed or restrict the information that can be viewed based on the decryption key employed, and does not utilize embedded signal technology like that discussed in Warren. The present invention would offer enhanced security with less signal processing requirements when compared to Warren. To highlight this distinction, the features of claim 2 have been combined with claim 1. Claim 9, as originally filed, highlights the distinction discussed herein, and has not been amended.

The Examiner has referenced column 16, lines 16-24 of Warren as suggesting the correlation of a first type of decryption key with a first type of reproduction quality. This is simply not correct. The degradation of quality is best discussed in Warren at column 11, where it is clearly established that predetermined shapes, etc. are added as noise in conjunction with the SCT data (that is, the embedded data that is incrementally advanced with each playing of the master data). In contrast, column 16 of Warren references Figure 17, and discusses having an encryption key decoder for decoding the SMT data and SCT data (see lines 14 and 15). Thus, Warren is clearly not using a series of decryption keys, as contemplated by the present invention, to degrade or disable the ability to view an encrypted file, and to allow viewing the file without degradation.

None of Graunke, Duncan or Okada include a utility of using different encyrption keys, therefore, no combination of Warren with Grunke, Duncan or Okada would make claim 1 or its dependent claims obvious. Specifically, Graunke describes a secure distribution system, but utilizes only a single dynamically generated private key to allow access to a file by a particular user. The key in Graunke is not used to specify a degraded view of the transmitted file. Duncan describes an access granting system with variable access rights; however, Duncan does not describe a series of decryption keys for allowing encyrpted files to viewed with varying integrity depending on the key used. Okada describes an image compression device and system where the main advantage allows for the rapid and highly precise encoding of image data in a reduced amount of time (see

column 8, lines 40-47). Column 19, lines 50-57, referenced by the Examiner, do not relate to using different encryption keys to control quality of a reproduced and transferred file; rather, this passage specifically relates to a system "whereby the degradation in quality of an image reproduced through the decompression of the compression image data can be prevented".

Claim 21 was rejected as being anticipated by U.S. Patent 5,822,360 to Lee. This rejection is traversed in view of the amendment above.

Specifically, claim 21, as amended requires a first and second decryption key which are utilized to control the quality of the reproduction that a user is able to achieve. Lee, in contrast to the claimed invention, and similar to the Warren device described above, uses a noise signal that is combined with the primary audio signal. As explained in column 10, the noise power is adjusted incrementally with each playing of the audio in Lee, whereby after a number of times the audio signal is played, there will be significant cumulative degradation. Lee makes no mention of, and does not suggest use of an encrypted file with two different decryption keys, as is contemplated in claim 21.

Claim 22 has been canceled, thereby making moot any rejection thereof.

Claims 23 and 24 were rejected as being anticipated by Eller. This rejection is traversed.

Claim 23 is focused one particular embodiment of the invention where a first decryption key at the host allows the application program reproducing the digital information to reproduce only a portion of the digital information. Claim 24 provides for a second decryption key at the host which allows for reproducing all of the digital information.

The system of Eller is quite distinct in that it distributes a file that is "partially" encrypted. This allows a client to hear part of the music for example. If he or she want to purchase the music, he forwards payment and is furnished with a password that is specific to him or her. The password functions as a decryption key (see Abstract) which allows the user to hear all the music. Hence, it is clear that Eller does not contemplate either a decryption key which allows reproducing a degraded file (e.g. part of a file) (as contemplated in claim 23) or a

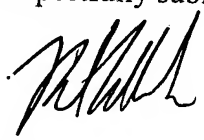
second decryption key which allows reproducing the entire file (as contemplated in claim 24. The passages cited by the Examiner support the undersigned's position. That is column 5, lines 65 et seq., discuss transfer of a file where "only the first page is not encrypted" (i.e., a decryption key is not used in Eller to provide a file where only some of the file can be seen; rather, the whole file is provided where a portion is encrypted—the key is provided after purchase). Further, in column 7, lines 51-65, of Eller do not describe having a "second" decryption key that lets one reproduce an entire file.

In view of the foregoing, it is respectfully requested that the application be reconsidered, that claims 1, 2-21, and 23-24 be allowed, and that the application be passed to issue.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary in a telephonic or personal interview.

A provisional petition is hereby made for any extension of time necessary for the continued pendency during the life of this application. Please charge any fees for such provisional petition and any deficiencies in fees and credit any overpayment of fees to Attorney's Deposit Account No. 09-0457

Respectfully submitted,



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